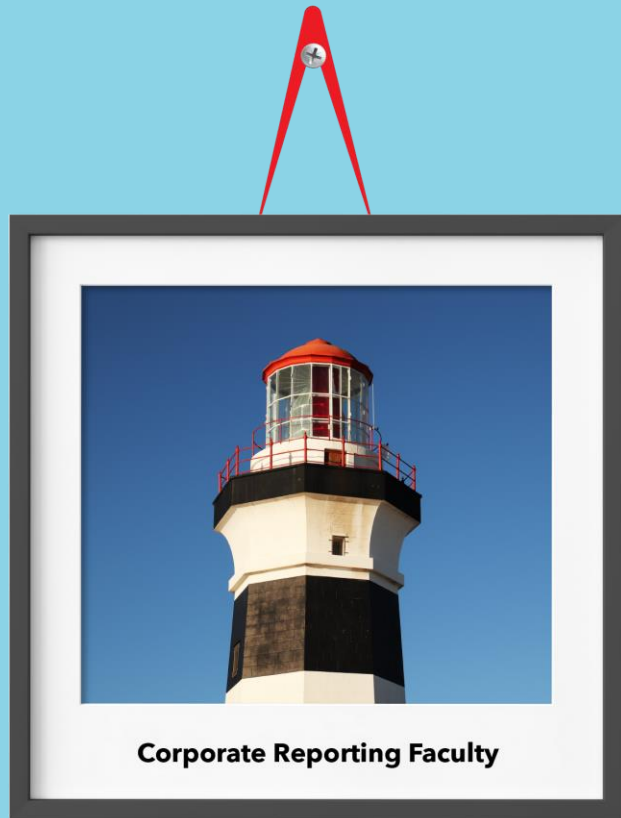




ICAEW KNOW-HOW
CORPORATE REPORTING FACULTY



2025 Briefing: Non-financial reporting

20 NOVEMBER 2025

**THIS WEBINAR WILL
COMMENCE SHORTLY**

Introduction



Fahad Asgar
Technical Manager, Corporate Reporting Faculty, ICAEW

Today's presenters

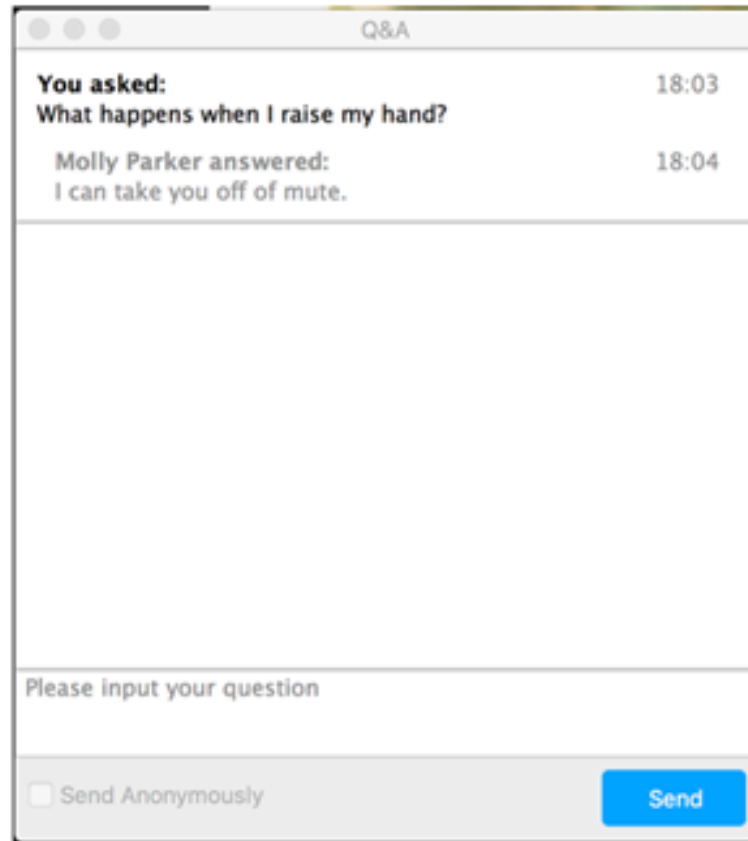


Anne Warner
Associate Director
Deloitte



Ollie Law
Senior Manager, Corporate Reporting
PwC

Ask a question and access resources



The screenshot shows a Q&A window with a title bar containing three window control buttons and the text "Q&A". The main content area displays a question and answer:

You asked: 18:03
What happens when I raise my hand?

Molly Parker answered: 18:04
I can take you off of mute.

Below the answer is a large empty text area for asking a question. At the bottom of the window, there is a text input field with the placeholder "Please input your question", a checkbox labeled "Send Anonymously", and a blue "Send" button.

Download resources

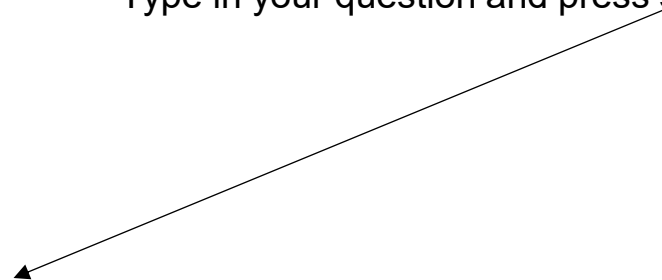
Link to slides in event reminder email

Access related resources, including the presentation slides at icaew.com/crfwebinars

To ask a question

Click on the **Q&A** button in the bottom toolbar to open the question box.

Type in your question and press **send**.



Contents

Key regulatory year-end messages

International Sustainability Standards Board (ISSB)
Overview

UK Sustainability Reporting Standards

Changes for UK non-financial reporting

Poll question

How would you describe yourself?

1. Audit practitioner
2. Report preparer
3. Board member / charged with governance
4. Other



Narrative reporting update

KEY REGULATORY YEAR-END MESSAGES

Regulatory messages – strategic report

Fair, balanced and
comprehensive

Unbiased discussion
of performance

Linkage with financial
statements

Strategy and
business model

Legal issues –
dividends and share
premium

Regulatory messages – climate reporting

Scenario analysis –
qualitative or
quantitative should
be given

Consistent reporting
boundary

Consistency between
front and back halves

Double-check use of
exemptions

Companies Act
disclosures **MUST** be
in the annual report

Key FRC expectations for annual reports

-
- Pre-issuance checks
 - Clear & consistent disclosure about judgements, risks & uncertainties
 - Fair, balanced, comprehensive narrative reporting
 - Step-back / whole report approach
 - More is not always better – consider materiality

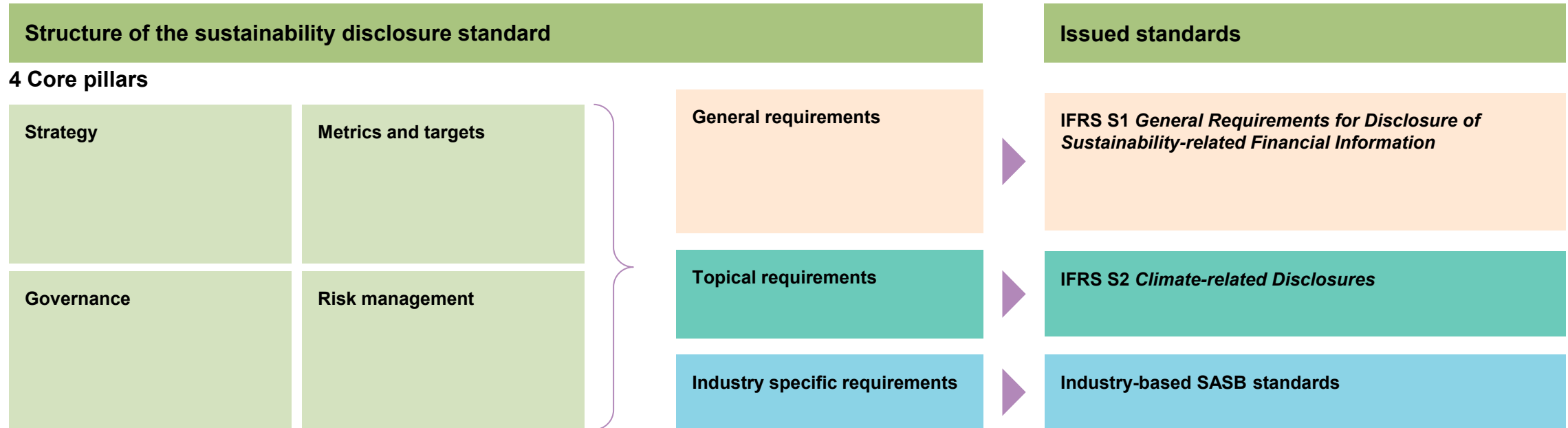


Narrative reporting update

**INTERNATIONAL SUSTAINABILITY STANDARDS
BOARD (ISSB) OVERVIEW**

Overview of the IFRS sustainability disclosure standards

The ISSB issued two IFRS sustainability disclosure standards, with future standards being explored.



Key concept – Connected Information:

IFRS S1 requires the entity to provide information to help primary users to understand the connections between sustainability – related financial information **and** financial disclosures in the entity's financial statements.

An entity is required to use **the same** financial data and assumptions for sustainability reporting purposes as is used for financial reporting purposes to the extent that this is possible.

IFRS S1 and IFRS S2: key concepts

The objective of the standards is to require entities to disclose information about sustainability-related (S1)/climate-related (S2) risks and opportunities that are useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The core concepts included within IFRS S1 and IFRS S2 are summarised below:

01

The value chain

Report users must be able to understand effects of risks and opportunities on the business model and value chain.

02

Materiality

Sustainability-related (S1) and climate-related (S2) risks and opportunities are assessed based on their financial materiality.

03

Sustainability matters

Disclosure of material information related sustainability-related risks and opportunities (S1) or climate-related risks and opportunities (S2).

04

Disclosure requirements

Disclosure against topical standard (S2) if applicable. must refer to SASB standards. may consider other sources e.g., ESRS, GRI, peer reporting.

05

Financial integration

Entities must use the same financial data and assumptions for sustainability reporting purposes as is used for financial reporting purposes to the extent that this is possible.



Narrative reporting update

UK SUSTAINABILITY REPORTING STANDARDS

UK implementation of sustainability reporting – latest



The UK Government has confirmed its ambition to deliver a world-leading sustainable finance framework. Central to this are the UK sustainability disclosure requirements, which comprise the sustainability reporting standards and transition plan requirements.

01

UK Sustainability Reporting Standards (UK SRS)

- Technical advisory committee (TAC) recommended to the Government in December 2024 the endorsement of IFRS S1 and S2 for use in the UK.
- **Government issued a consultation on the UK SRS in June 2025**, and if endorsed aims to publish final UK SRS in 2025 for voluntary use.
- **The FCA intends to consult** on updating the Listing Rules to require mandatory reporting for UK listed companies in line with UK SRS – expected in H2 2025, although may be delayed. Timing of when the rules will come into effect is still uncertain and is **subject to FCA decisions**.

02

Transition plans, assurance and the green taxonomy

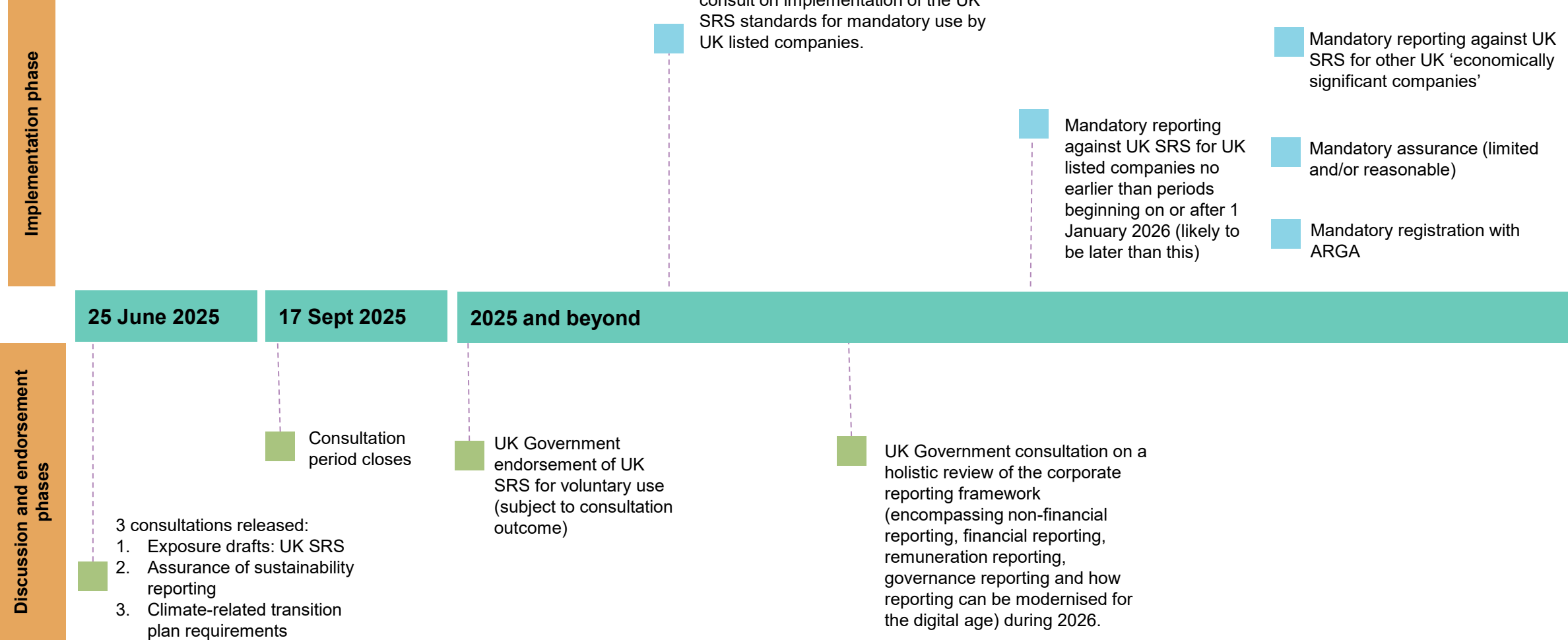
- **Government has issued a consultation** on transition plans in line with their manifesto commitment. This consultation seeks early views on how the government should take this forward.
- **Government has issued a consultation** on the proposals to introduce a voluntary registration regime for ‘sustainability assurance providers’. Early views are being sought on potential assurance over UK SRS.
- The consultation on the green taxonomy is closed. The UK Government have confirmed that plans for a UK green taxonomy are no longer being taken forward.

03

Non-financial reporting review

- Government plans to **publish a consultation**, looking more fundamentally at the UK’s non-financial reporting regulations than recent updates (like changes to thresholds and directors’ report disclosures) have done.

UK endorsement and implementation of UK SRS



A closer look: UK SRS - proposed amendments to ISSB standards

1

Removal of delayed Year 1 reporting

Sustainability-related information to be reported at the same time as the related financial statements.

2

Extension of 'climate first' approach

Provides for a two-year (rather than one-year) transition relief for areas other than climate.

3

Removal of the requirement to use GICS in IFRS S2

Requirements relating to financed emissions now refer to 'an internationally recognised industry classification system.'

4

Removal of the 'effective date'

Will be set out in relevant legislation or regulation, set by the FCA or the UK government, rather than in the standards themselves.

5

References to the SASB materials

Amended to 'may refer to and consider' as opposed to 'shall.'

6

Treatment of transition reliefs

Timing of reliefs will be explicitly linked to the introduction of any mandatory reporting requirements.



Additional discussion on:

- The practicality of calculating financed emissions for the given reporting period.
- The requirements on carbon credits in IFRS S2.



Narrative reporting update

CHANGES FOR UK NON-FINANCIAL REPORTING

Newly effective and forthcoming developments in UK non-financial reporting

Newly effective standard or requirement	Effective date (periods commencing from)
UK Corporate Governance Code 2024 – except Provision 29	1 January 2025
UK Corporate Governance Code 2024 – Provision 29	1 January 2026
Changes to company thresholds and directors’ report	6 April 2025
Changes to remuneration reporting	11 May 2025
Payment practices and performance reporting legislation	1 January 2026
Forthcoming standard or requirement	Expected date
Removal of directors’ report and new strategic report exemptions	TBC
Endorsement of UK SRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>	End of 2025
Endorsement of UK SRS S2 <i>Climate-related Disclosures</i>	
FCA consultation – mandatory application of UK SRS by listed companies	Following endorsement
Government consultation – wider non-financial reporting changes	H1 2026
Government consultation – mandatory application of UK SRS by other companies	TBC

Legal changes to corporate reporting (1)

The Companies (Accounts and Reports) (Amendment and Transitional Provision) Regulations 2024 (SI 2024/1303):

- Effective for periods commencing on/after **6 April 2025**
- Increase monetary thresholds for micro, small and medium-sized companies*
- Remove disclosure requirements from the directors' report:
 - future developments in the business
 - post balance sheet events
 - research and development
 - information on employment of disabled persons
 - engagement with employees, suppliers, customers and others
 - existence of branches
 - use of financial instruments

* **except for SECR!**

Periods commencing before 6 April 2025

	Turnover not more than	Total assets not more than	Average Employees
Micro	£632,000	£316,000	10
Small	£10.2 million	£5.1 million	50
Medium	£36 million	£18 million	250

Periods commencing on or after 6 April 2025

	Turnover not more than	Total assets not more than	Average Employees
Micro	£1 million	£500,000	10
Small	£15 million	£7.5 million	50
Medium	£54 million	£27 million	250

Legal changes to corporate reporting (2)

The Companies (Directors' Remuneration and Audit) (Amendment) Regulations 2025

- Mostly effective for periods commencing on/after **11 May 2025**
- Revert most changes made by the revised Shareholders Rights Directive (EU law)
- Key changes:
 - Unquoted traded companies removed from scope of directors' remuneration report
 - Disclosure of annual percentage change in each director's pay removed
 - Several other small changes – mainly to remove overlap

The Companies (Directors' Report) (Payment Reporting) Regulations 2025

- Effective for periods commencing on/after **1 January 2026**
- Applies to all except small and medium-sized companies, subsidiaries exempt if criteria met
- Introduces requirements to disclose for the full financial year, in relation to qualifying contracts, in the directors' report (group and individual accounts):
 - Description of the standard payment period
 - Details of any variations
 - Average number of days taken to pay in the financial year
 - % and sum total of payments made 1-30, 31-60, 61+ and outside contractual terms

Legal changes to corporate reporting (3)

Further announced measures:

- Announced in October 2025
- Government target = 25% reduction of administrative burdens of regulation on business
- No draft legislation or effective date yet
- Key changes announced:
 - exempt most medium-sized companies from preparing a strategic report
 - exempt subsidiaries from preparing a strategic report if criteria met
 - abolish the directors' report (certain requirements to be retained and moved)
- Open consultation: Unlocking business – closes 16 December 2025
- Modernising Corporate Reporting: consultation expected 2026



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ICAEW's Continuing Professional Development (CPD) Regulations have changed. Members are now required to do a minimum number of CPD hours per year.

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ICAEW resources

Hub pages:

- [Non-financial reporting hub](https://www.icaew.com/nfr) (icaew.com/nfr)
- [UK regulation for company accounts hub](https://www.icaew.com/ukregulation) (icaew.com/ukregulation)

Factsheets: (icaew.com/crffactsheets)

- [Strategic Report and Directors' Report](#)
- [Climate-related Financial Disclosure Regulations](#)

Webinars: (icaew.com/crfwebinars)

- [What makes good sustainability reporting](#)
- [European sustainability reporting: an introduction for UK companies](#)

By All Accounts: (icaew.com/byallaccounts)

- [Developing a UK sustainability reporting and assurance framework](#)
- [Integrated thinking and reporting: the path to long-term value creation](#)
- [Taking a simplified approach to sustainability reporting](#)



Upcoming webinars – December 2025

Preparing for the 2025/26 reporting season

11 December 2025



<https://events.icaew.com/pd/32132/preparing-for-the-202526-reporting-season>

Changes to UK GAAP: initial application

18 December 2025



<https://events.icaew.com/pd/32225/changes-to-uk-gaap-initial-application>

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Corporate Reporting Faculty

The Corporate Reporting Faculty produces a range of practical resources including factsheets, online guides, webinars and articles to help you meet your continuing professional needs.

Latest resources

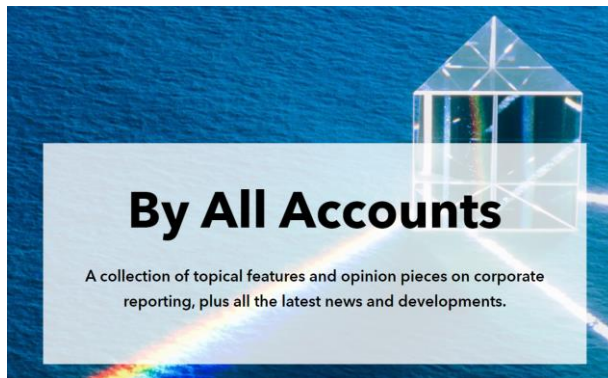
The Financial Reporting Faculty is changing its name
Reflecting that reporting today is about much more than financial information, ICAEW's Financial Reporting Faculty is changing its name to the Corporate Reporting Faculty.
Article
Viewpoints April 2023
April 2023

Enhanced ICAEW membership
From 1 January 2023, as part of a wider initiative to support ICAEW members, Associate and Fellow members will no longer need to pay an additional fee for membership to the Financial Reporting Faculty.
Article
October 2022

Overview of UK regulation for company accounts
This factsheet provides an overview of requirements of company accounts affecting UK companies, including an overview of requirements for different sizes of companies, what needs to be included in the annual accounts, exemption from audit, and approval, circulation and filing of accounts.
Publications and support
January 2023

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A collection of topical features and opinion pieces on corporate reporting, plus all the latest news and developments.

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Questions



Anne Warner
Associate Director
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Ollie Law
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PwC

Thank you for attending



- Please take the time to fill out our short survey.

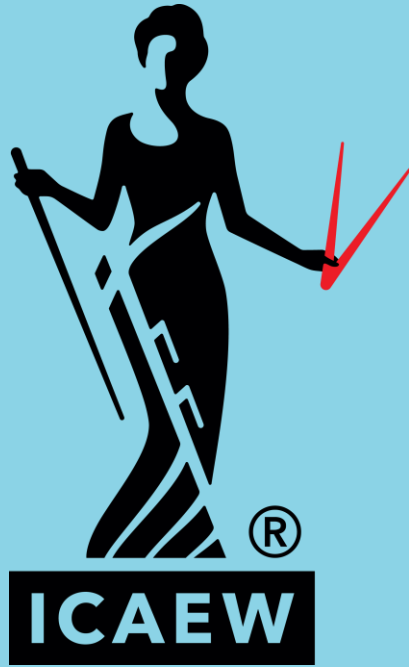


- Contact the Corporate Reporting Faculty.
- Tel: +44 (0)20 7920 8533
- Email: crf@icaew.com
- Web: icaew.com/crfac

This webinar is presented by the Corporate Reporting Faculty.

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